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**FISCAL IMPACT STATEMENT**

**LS 6609**

**BILL NUMBER:** SB 357

**NOTE PREPARED:** Jan 2, 2012

**BILL AMENDED:**

**SUBJECT:** Elimination of Trans Fat in School Food.

**FIRST AUTHOR:** Sen. Becker

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that a school corporation, including a charter school, may not make available food containing industrially produced trans fat or use food containing industrially produced trans fat in the preparation of a food item served to students from any source during the school day or during any school event. It makes conforming amendments.

**Effective Date:** July 1, 2012.

**Explanation of State Expenditures:** The Department of Education will be required to ensure that school corporations and charter schools comply with this directive. It may penalize those that do not. The Department should be able to implement this requirement at minimal cost assuming near customary agency staffing and resource levels.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Summary:* The impact of this bill would depend on the number of food items currently available at schools that either contain or are prepared with ingredients that contain trans fat and on how difficult or costly it would be to find suitable substitutes for these foods. Initially, corporations and charter schools may have to expend resources researching information on suitable substitutes and testing these substitutes for taste and quality. It is possible that several corporations, working through their school health advisory councils, can cooperate in the selection of alternative food items. Based on the experiences in schools and locations that have made the transition, the cost should be met within available resources.

This bill directs school corporations and charter schools to make available to students during the school day or at any school event only food items that do not contain industrially produced trans fat. The bill also

prohibits school personnel from using any ingredient containing industrially produced trans fat when preparing a food item to be served.

This bill also covers food items sold on school grounds and items in the a la carte line of a school cafeteria that are not part of the federal school lunch program or the federal school breakfast program. Under current law, at least half of these items must be foods with no more than 10% of their total calories from saturated and trans fat. Under this bill, these food items must not contain any trans fat.

Efforts to eliminate trans fatty acids typically rely on the substitution of partially hydrogenated fats with those made with liquid vegetable oils (e.g., palm oil). With the introduction of mandatory trans fat labeling in 2006, it is easier for schools to identify and eliminate foods with trans fatty acid.

The bill provides that ingredients are acceptable if the manufacturer's label lists the trans fat content as zero. However, federal regulations permit food labels to say they have zero grams of trans fat, provided levels are below 0.5 gram.

The proposed U.S. Department of Agriculture (USDA) rule on nutrition standards for the federal school lunch and breakfast programs, scheduled to become effective for the 2012-2013 school year, includes a requirement that foods contain zero grams of trans fat per serving (i.e., less than 0.5 gram per serving). As a result, once the national standards go into effect, this bill would only govern those food items sold on school grounds and items in the a la carte line of a school cafeteria that are not part of the federal school lunch or breakfast program. According to the Department of Education, the USDA is scheduled to publish a proposed rule that establishes standards for these food items also, but the Department is unsure if it would have the same requirements as this bill.

**Background Information:** Several Indiana schools are already participating in programs which recommend a zero trans fat diet. For example, 40 schools are to be selected to take the Healthier U.S. School Challenge, a voluntary national certification program that recognizes excellence in nutrition and physical activity. The Indiana Department of Education has also published the Center for Disease Control's nutrition standards on its web site, and these recommend a zero trans fat diet.

### **Explanation of Local Revenues:**

**State Agencies Affected:** Department of Education.

**Local Agencies Affected:** School corporations and charter schools.

**Information Sources:** American Heart Association, *Diet and Lifestyle Recommendations*, Revision 2006: *A Scientific Statement From the American Heart Association Nutrition Committee*, June 19, 2006; U.S. Department of Health and Human Services, *Dietary Guidelines for Americans, 2010*, Chapter 3; <http://health.gov/dietaryguidelines/>; Center for Disease Control, <http://www.cdc.gov/nutrition/everyone/basics/fat/transfat.html>; Sarah Kenworthy, Department of Education, 317-232-0857.

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